


Minutes of the Meeting held on

September 30, 2015

Winnipeg, MB

 = by conference call

Members of the Board present:

Rémi Racine, Chairperson of the Board
Hubert T. Lacroix, President and CEO
Edward Boyd ()
Sonja Chong
Pierre Gingras
Robert Jeffery
Marni Larkin
Terrence Leier
Norman May
Maureen McCaw
Brian Mitchell
Marlie Oden

Members of the Board absent:

None

In attendance:

Sylvie Gadoury, Vice-President, Legal Services, General Counsel and Corporate Secretary
Stéphanie Duquette, Chief of Staff to the President and CEO
Tranquillo Marrocco, Associate Corporate Secretary

Also participating:

Heather Conway, Executive Vice President, English Services (Items 3, 4, and 5)
Marco Dubé, Acting Vice-President, Strategy and Corporate Affairs (Items 4, 5, and 7)
Josée Girard, Vice-President, People and Culture (Items 4-6)
Steven Guiton, Executive Vice-President, Media Technology and Infrastructure Service
(Item 4, 5, and 8)
Louis Lalonde, Executive Vice President, French Services (Items 3-5)
Judith Purves, Executive Vice-President and Chief Financial Officer (Items 4, 5, and 9)
Marc Y. Lapierre, Executive Director, Real Estate Services (Item 8)
David Masse, Senior Director of TV Network Sports, English Services () (Item 3)
Neil McEneaney, Chief Business Officer, English Services () (Item 3)

François Messier, General Manager, Productions, French Services (☎) (Item 3)
Consultant, Deloitte (☎) (Item 5)
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Opening of the Meeting

At 7:30 a.m., the Chairperson called the meeting to order.

1. In Camera Session with the President and CEO

The Board met in camera, with Sylvie Gadoury in attendance, to discuss the following matters with the President and CEO: governance and training.

2. Adoption of Minutes

On a motion duly moved and seconded, **IT WAS RESOLVED**, — That the Minutes of the August 20, 2015, Board of Directors meeting be approved.

3. Olympic Games

Hubert T. Lacroix circulated an update on the negotiations as well as an updated business plan for the broadcasting of the 2022 Winter Olympics and the 2024 Summer Olympics underlining the extraordinary work of Heather Conway's and Louis Lalande's teams.

Heather Conway noted that the proposed Olympic Games agreement was an affirmation of the sports strategy approved as part of the *Space for Us All* strategic plan.

Neil McEneaney provided an overview of the IOC's plans for an Olympic Channel and the rationale for the IOC's request that CBC/Radio-Canada extend its media rights to 2024. He then explained the key terms of the proposed agreement, the business plan's assumptions and the financial plan, and the offers and counter-offers made during the negotiations.

Board members inquired about the previous and the new the differences between the previous deal and this one, the nature of our participation in, and the risks associated with,

the upside and downside profit potentials, the reasonability of the assumptions, and the overall risks associated with the deal.

On a motion duly moved and seconded, **IT WAS RESOLVED**, — That the proposed agreement between CBC/Radio-Canada and the International Olympics Committee to extend the media rights to the 2022 Winter Olympic Games and the 2024 Summer Olympic Games be approved on the terms and conditions presented, including a rights fee not exceeding

4. Strategic Plan Implementation Update

Judith Purves noted that the financial and FTE reduction information that was previously reported in the Reduction Plan Progress Report has been integrated into the Strategic Plan Implementation Progress Report.

Board members inquired on the likelihood that the organizational design efficiencies will meet the targeted cost-savings, the organizational design timeline, the resources available to the Executive Vice-Presidents to drive the strategic plan in their services, the investment of cost-savings in programming content, the status of the re-organization in the [redacted] and the percentage of our staff and our competitors' staff that are unionized.

5. Organizational Design Update

[redacted] provided an overview of the work completed to date, the delays which occurred during the summer, and the subsequent adjustments to the timeline for each of the three main project activities.

[redacted] then reviewed the project's issues and mitigation plans.

Board members inquired about the manner in which [redacted] the MTIS' re-organization progress, and the level of engagement throughout the organization.

The Board then met in camera with [redacted] and [redacted] to discuss the matter further.

6. Human Resources & Governance Committee Report

Ted Boyd reported on the matters discussed at the meeting of the Human Resources and Governance Committee held on September 29, 2015,

6.1. By-law Amendments - Supplementary Retirement Plan

Josée Girard provided an overview of the context, rationale and key decision elements for the proposed amendments to Schedule D (Supplementary Retirement Plan) of the Bylaws.

Board members inquired about the contributions to the Supplementary Retirement Plan, the impact of the amendments on the Corporation's ability to recruit executives, the use of letters of credit, and the timing of the amendments.

On the recommendation of the Human Resources and Governance Committee, **IT WAS RESOLVED**, — That, subject to ministerial approval:

1. Section 15(3) of the By-Laws be amended as follows:
 - a) by replacing "Schedule D-2003" with "Schedule D"; and
 - b) by replacing "Régime de retraite complémentaire" with "Régime de retraite supplémentaire" in the French version of the By-Laws.; and
2. the proposed amendments to Schedule D (Supplemental Retirement Plan) of the By-Laws (see Appendix 1) be approved.

6.2. Compensation Philosophy

The Board agreed to defer the presentation on this matter to the end of the meeting if time permitted, or to another date.

6.3. Senior Executive Compensation

7. Communications & Stakeholder Relations Committee Report

Marlie Oden reported on the matters discussed at the meeting of the Communications & Stakeholder Relations Committee held on September 21, 2015, by video-conference, including the Committee's workplan, the communications issues, and the media lines' communications and marketing strategies for their local news and Fall campaigns.

Board members inquired about the extent to which the Committee's work met members' expectations.

8. Infrastructure Committee Report

Rémi Racine reported on the matters discussed at the meeting of the Infrastructure Committee held on September 29, 2015, in particular, an update on the Maison de Radio-Canada development project. He noted that scenarios were being explored, a real estate broker would be hired, and a recommended scenario will be presented in January 2016. He also noted, that the Committee suggested that the option of two separate bids (one for the building and the other for the sale of the land) should be favoured.

Board members inquired about the lessons learned, the project's timeline and the rationale for some of the scenarios presented.

9. Employee Reimbursement Policy Update

Judith Purves provided an overview of the Minister's request that, to the greatest extent possible, the Corporation's travel, hospitality, conferences and events policies be aligned with the spirit and intent of the Treasury Board (TB) directive.

Board members inquired about the feasibility of pre-approval of travel for programming purposes other than for news, the costs of monitoring and audit policy compliance, travel

expenditure trends, and the approach taken by other Crown Corporations. They also noted that the Board should align its travel practices to TB's directive.

10. Varia & In Camera Session

The independent directors met in camera to discuss various matters.

The Chairperson reported to the Corporate Secretary, for inclusion in the Minutes, that, during the in camera session, Pierre Gingras informed the Board of his intention to resign from the Board due to health reasons, effective October 1, 2015, and that Board members thanked him for his contributions during his tenure and wished him well.

Adjournment

At 12:30 p.m., the meeting was adjourned.

Appendices

1. Amendments to Schedule D (Supplemental Retirement Plan) of the By-Laws

Appendix 1
Amendments to Schedule D (Supplemental Retirement Plan) of the By-Laws

SUPPLEMENTARY RETIREMENT PLAN (SERP)
(the "Plan")

1. Eligibility

Are eligible, all employees of the Corporation who are participating in the Canadian Broadcasting Corporation Pension Plan (the "CBC Pension Plan") and who are either:

For the purposes of this ~~supplementary retirement plan~~ Plan "pensionable salary rate" shall be as defined in paragraph ~~2.1(mm)3~~ 3 of Part I and "salary" shall be as defined in paragraph ~~3~~ 3 of Part II of the CBC Pension Plan, except that it shall be deemed not to be limited by the *Income Tax Act* maximum.

2. Benefits

2.1. Normal Retirement Pension

2.1.2.2. Terms and Conditions

Provisions related to ~~Part III section~~
16 of the CBC Pension Plan shall be modified as described in Section 8 of this Plan hereunder.

3. Employee Contributions

4. Portability

4.1. No Right to Transfer

Subject to the provisions of Section 9, benefits payable under this ~~supplementary retirement plan~~Plan shall be payable to an employee, or the surviving spouse or child of an employee, only in the form of periodic payments, or a lump sum if directed by the Corporation in its sole right. No employee, surviving spouse or child shall have the right under this ~~supplementary retirement plan~~Plan to transfer the value of their benefits to any other vehicle established for the provision of retirement income benefits.

4.2. Transfer In

5. Administration

The President of the Corporation or an Officer of the Corporation designated by the President shall authorize payment of benefits under this ~~supplementary retirement plan~~Plan. The administration of this ~~supplementary retirement plan~~Plan will be carried out by a Component of the Corporation designated by the President for that purpose.

6. Funding and Letter of Credit

7. Amendment or Discontinuance

The Corporation reserves the right to amend or to discontinue this ~~supplementary retirement plan~~ Plan at any time. No such amendment or discontinuance shall affect adversely the benefits accrued to any employee or any employee's spouse or children up to the date of such amendment or discontinuance.

8. Application of ~~Part III~~ section 16 of the CBC Pension Plan

8.1 No optional ancillary contributions

Employees shall not be permitted to make optional ancillary contributions to this Plan.

8.2 Transfer of forfeitures

Notwithstanding the ~~second paragraph of subsections 8(3) and 11 of Part III paragraphs 16.6(e) and 16.7(b) of the CBC Pension Plan~~, where an ~~employee~~ member of this Plan has an optional ancillary account balance, as defined under the CBC Pension Plan, which exceeds the pension benefit credit of the optional ancillary benefits that can be provided under the CBC Pension Plan, the ~~member~~ employee or the ~~member~~ employee's spouse, as the case may be, may use the excess to elect an increased benefit, as described below, under this Plan.

8.3 Benefits capable of being increased in the event of retirement or termination

8.3.1 Bridge Benefit

A bridge benefit can be provided under the Plan so that the combined bridge benefit under the CBC Pension Plan and this Plan may be equal to the maximum permitted under ~~sub-section 8(1)(b)(i) clauses 16.6(b)(ii)(A) and (Eii), without regard to sub-section clause 16.6(b)(ii)(Ciii), of Part III of the CBC Pension Plan.~~

8.3.2 Pensionable salary rate

The ~~combined normal retirement pension payable under Part I or Part II of the CBC Pension Plan, and payable under s~~ Section 2.1 of this Plan may be

increased in accordance with ~~subsection 8(1)(c) of Part III~~ subparagraph 16.6(b)(iii), without regard to the restriction on “pensionable salary rate” in the last paragraph of ~~paragraph 2.1(mm)~~ subsection 3(la) of Part I or “salary” in the last paragraph of ~~sub-section 3(v) of Part II~~ of the CBC Pension Plan.

8.4 Benefits capable of being increased in the event of pre-retirement death or disability

In the event that an ~~employee member of this Plan~~ dies before pension commencement or becomes entitled to a disability pension in accordance with ~~subsection 6.7(2) of Part I or Part II~~ of the CBC Pension Plan and the ~~member~~ employee's optional ancillary account, as defined under the CBC Pension Plan, exceeds the pension benefit credit of the optional ancillary benefits that can be provided under the CBC Pension Plan, the excess may be applied to increase such benefits under this ~~p~~Plan, to the extent permitted by the *Income Tax Act*, except that any limitations on salary or on total lifetime and bridge benefits shall not apply.

8.5 Purchase of benefits

The cost of purchasing such additional optional ancillary benefits under this Plan shall be equal to the pension benefit credit of the optional ancillary benefits in respect of optional ancillary benefits elected under this Plan.

The benefits described in Section 8.3 or 8.4 above may be increased to the extent of the balance in the ~~member~~ employee's optional ancillary account, after utilizing the maximum available optional ancillary benefits under the CBC Pension Plan.

Benefits cannot be increased beyond the maximum amount set out in subsections 8.3 and 8.4 above, even if there are still funds available in the ~~member~~ employee's optional ancillary account. Such excess funds shall be forfeited.

In any event, the balance in the ~~member~~ employee's optional ancillary account after purchasing the maximum optional ancillary benefits under the CBC Pension Plan shall be reallocated from the ~~member~~ employee's account in the ~~p~~Pension Fund to the unallocated assets in respect of the CBC Pension Plan in the ~~p~~Pension Fund.

9. Additional benefit

9.1 Purpose and Eligibility

The purpose of this Section 9 is to provide eligible employees as described below with an additional benefit

However, no benefit shall be payable to an employee who is terminated for cause by the Corporation. Also, the benefits provided under Section 9.2 will be paid only with the consent of the Corporation in the case the employee elects to retire prior to becoming eligible for an unreduced pension under the CBC Pension Plan. Such consent may or may not be granted at the sole discretion of the Corporation.

9.2 Benefits

The actuarial basis used to determine the above actuarial value shall be determined by the Corporation, based on the advice of the actuary.

9.3 Optional forms of payment

Notwithstanding the provisions of Section 9.2, at the Corporation's option and subject to the employee's approval, the benefits described in Section 9.2 above may be replaced by:

- (i) a lump sum amount equal to the actuarial value of the lifetime pension described in Section 9.2, or
- (ii) a temporary annuity of a term not exceeding five years, the actuarial value of which is equal to the actuarial value of the lifetime pension described in Section 9.2

9.4 Benefits on death, disability or termination

In the event of the death of the employee prior to retirement or retirement by reason of disability, the employee or employee's spouse as the case may be will be entitled to benefits as described above. Where the employee dies before retirement without a spouse, as defined under the CBC Pension Plan, the benefit will be paid in a lump sum to the employee's beneficiary or estate.

Where an employee terminates his employment with the Corporation before being eligible to a pension from the CBC Pension Plan, no benefit shall be paid in respect of this Section 9.